



[Docket No. OP-1764]

Regulation Q; Regulatory Capital Rules: Risk-based Capital Surcharges for Global Systemically Important Bank Holding Companies

AGENCY: Board of Governors of the Federal Reserve System (Board).

ACTION: Notice.

SUMMARY: The Board is providing notice of the 2021 aggregate global indicator amounts, as required under the Board's rule regarding risk-based capital surcharges for global systemically important bank holding companies (GSIB surcharge rule).

DATES: The 2021 aggregate global indicator amounts are effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Juan Climent, Assistant Director (202) 872-7526, Naima Jefferson, Lead Financial Institution Policy Analyst, (202) 912-4613, Christopher Appel, Senior Financial Institution Policy Analyst II, (202) 973-6862, or Jennifer McClean, Senior Financial Institution Policy Analyst II, (202) 785-6033, Division of Supervision and Regulation; or Mark Buresh, Senior Counsel, (202) 452-5270, or Jonah Kind, Counsel, (202) 452-2045, Legal Division. Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551.

SUPPLEMENTARY INFORMATION: The Board's GSIB surcharge rule establishes a methodology to identify global systemically important bank holding companies in the United States (GSIBs) based on indicators that are correlated with systemic importance.¹ Under the GSIB surcharge rule, a firm must calculate its GSIB score using a specific formula (Method 1). Method 1 uses five equally weighted categories that are correlated with systemic importance – size, interconnectedness, cross-jurisdictional activity, substitutability, and complexity – and subdivided into twelve systemic indicators. A firm divides its own measure of each systemic indicator by an aggregate global indicator amount. A firm's Method 1 score is the sum of its

¹ See 12 CFR 217.402, 217.404.

weighted systemic indicator scores expressed in basis points. The GSIB surcharge for a firm is the higher of the GSIB surcharge determined under Method 1 and a second method, Method 2, which weighs size, interconnectedness, cross-jurisdictional activity, complexity, and a measure of the firm's reliance on short-term wholesale funding.²

The aggregate global indicator amounts used in the score calculation under Method 1 are based on data collected by the Basel Committee on Banking Supervision (BCBS). The BCBS amounts are determined based on the sum of the systemic indicator amounts as reported by the 75 largest U.S. and foreign banking organizations as measured by the BCBS, and any other banking organization that the BCBS includes in its sample total for that year. The BCBS publicly releases these amounts, denominated in euros, each year.³ Pursuant to the GSIB surcharge rule, the Board publishes the aggregate global indicator amounts each year as denominated in U.S. dollars using the euro-dollar exchange rate provided by the BCBS.⁴ Specifically, to determine the 2021 aggregate global indicator amounts, the Board multiplied each of the euro-denominated indicator amounts made publicly available by the BCBS by 1.2271, which was the daily euro to U.S. dollar spot rate on December 31, 2020, as published by the European Central Bank.⁵

The aggregate global indicator amounts for purposes of the 2021 Method 1 score calculation under § 217.404(b)(1)(i)(B) of the GSIB surcharge rule are:

² Method 2 uses similar inputs to those used in Method 1, but replaces the substitutability category with a measure of a firm's use of short-term wholesale funding. In addition, Method 2 is calibrated differently from Method 1.

³ The data used by the Board are available on the BCBS website at <https://www.bis.org/bcbs/gsib/denominators.htm>.

⁴ 12 CFR 217.404(b)(1)(i)(B); 80 FR 49082, 49086-87 (August 14, 2015). In addition, the Board maintains the GSIB Framework Denominators on its website, available at <https://www.federalreserve.gov/bankinfo/basel/denominators.htm>.

⁵ Foreign exchange rates provided by the BCBS are based on data published by the European Central Bank. Available at both https://www.bis.org/bcbs/gsib/avexch_end20_gsib.xlsx and https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html.

Aggregate Global Indicator Amounts in U.S. dollars (USD) for 2021

Category	Systemic indicator	Aggregate Global Indicator Amount (in USD)
Size	Total exposures	104,442,849,410,183
Interconnectedness	Intra-financial system assets	9,525,381,095,179
	Intra-financial system liabilities	11,102,596,441,364
	Securities outstanding	16,369,523,590,059
Substitutability	Payments activity	3,056,139,808,380,645
	Assets under custody	211,665,077,772,201
	Underwritten transactions in debt and equity markets	10,045,419,091,782
Complexity	Notional amount of over-the-counter (OTC) derivatives	640,457,925,001,269
	Trading and available-for-sale (AFS) securities	4,158,476,687,737
	Level 3 assets	642,954,578,909
Cross-jurisdictional activity	Cross-jurisdictional claims	25,173,500,130,034
	Cross-jurisdictional liabilities	20,496,206,443,399

Authority: 12 U.S.C. 248(a), 321-338a, 481-486, 1462a, 1467a, 1818, 1828, 1831n, 1831o, 1831p-l, 1831w, 1835, 1844(b), 1851, 3904, 3906-3909, 4808, 5365, 5368, 5371.

By order of the Board of Governors of the Federal Reserve System, acting through the Director of Supervision and Regulation under delegated authority, December 13, 2021.

Ann E. Misback,

Secretary of the Board.

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